

**ECONOMIC DEVELOPMENT AGENCY
SUMMARY**

<u>GENERAL FUND</u>	<u>Page #</u>	<u>Appropriation</u>	<u>Departmental Revenue</u>	<u>Local Cost</u>
ECONOMIC DEVELOPMENT SUMMARY	148			
ECONOMIC DEVELOPMENT	150	5,047,450	54,000	4,993,450
TOTAL GENERAL FUND		<u>5,047,450</u>	<u>54,000</u>	<u>4,993,450</u>
<u>SPECIAL REVENUE FUNDS</u>		<u>Appropriation</u>	<u>Departmental Revenue</u>	<u>Fund Balance</u>
COMMUNITY DEVELOPMENT AND HOUSING	156	47,006,766	35,544,615	11,462,151
WORKFORCE DEVELOPMENT	161	13,774,477	13,774,477	-
SAN BERNARDINO VALLEY ENTERPRISE ZONE	166	391,412	391,412	-
TOTAL SPECIAL REVENUE FUNDS		<u>61,172,655</u>	<u>49,710,504</u>	<u>11,462,151</u>



ECONOMIC DEVELOPMENT AGENCY

Brian P. McGowan

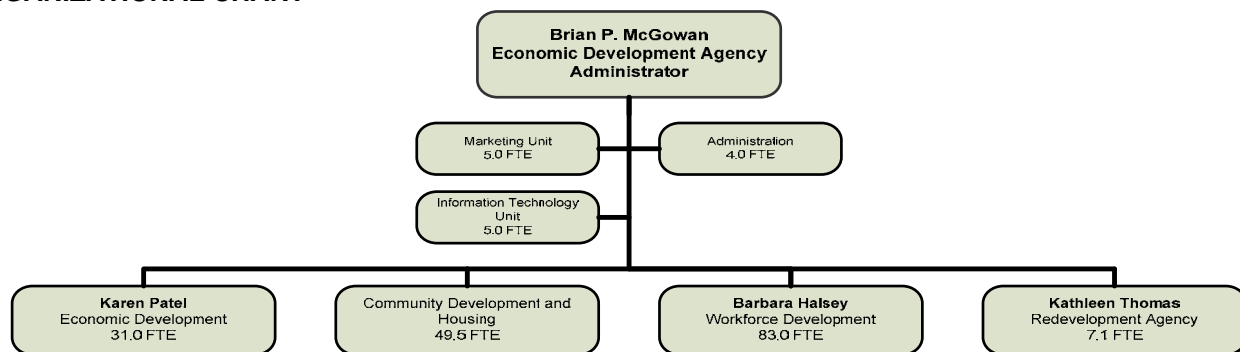
MISSION STATEMENT

The County of San Bernardino Economic Development Agency oversees the operation of the departments of Economic Development, Community Development and Housing, Workforce Development and the Redevelopment Agency. The overall mission of the agency is to facilitate economic growth within the county in order to enhance the quality of life for all residents. Each of these departments facilitates that mission through programs that enhance workforce skills, infrastructure, business development and attraction, housing opportunities and community development projects.

STRATEGIC GOALS

1. Implement a comprehensive marketing strategy which includes an expanded component for each department to promote the quality of life for San Bernardino County residents.
2. Implement an agency wide information technology (IT) infrastructure to support agency/departmental IT initiatives that will assist in the promotion of programs for San Bernardino County residents.

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

2007-08					
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
General Fund					
Economic Development	5,047,450	54,000	4,993,450		47.0
Total General Fund	5,047,450	54,000	4,993,450		47.0
Special Revenue Funds					
Community Development and Housing	47,006,766	35,544,615		11,462,151	49.5
Workforce Development	13,774,477	13,774,477		-	84.0
San Bernardino Valley Enterprise Zone	391,412	391,412		-	-
Total Special Revenue Funds	61,172,655	49,710,504		11,462,151	133.5
Other Agencies					
Economic and Community Development Corp	18,854	12,700		6,154	-
County Industrial Development Authority	48,811	1,000		47,811	-
Redevelopment					
Speedway Project Area	62,405,182	14,027,786		48,377,396	8.1
Cedar Glen Project Area	9,405,052	403,250		9,001,802	-
VVEDA Project Area	1,009,289	155,550		853,739	-
Mission Boulevard Joint Project Area	105,585	22,570		83,015	-
Total Other Agencies	72,992,773	14,622,856		58,369,917	8.1
Total - All Funds	139,212,878	64,387,360	4,993,450	69,832,068	188.6

Note: Other Agencies is reported as a separate document.



The Economic Development Agency provides overall administrative support and policy implementation to the departments of Economic Development, Community Development and Housing, Workforce Development and the Redevelopment Agency. This includes the facilitation of communication between the County Administrative Office as well as the Board of Supervisors. In addition, the agency oversees the information technology function, public relations, and marketing support.

Through the combination of four departments with common goals and objectives, the agency provides leadership and direction to all 24 cities and private economic development organizations within the county.

Detailed information for each budget unit follows, along with a description of the services provided, budget unit history and applicable performance measures.

NOTE: The "Other Agencies" budgets are reported in a separate document. The budget for the Economic Development Agency is incorporated within the Department of Economic Development's budget. The information regarding the Economic Development Agency's policy item and performance measures are also found within the Department of Economic Development's budget.



ECONOMIC DEVELOPMENT

Karen S. Patel

MISSION STATEMENT

The Department of Economic Development facilitates overall economic growth and job creation/retention through leadership, public/private collaborations, the provision of services to cities, attraction of new investment and the retention/expansion of existing businesses.

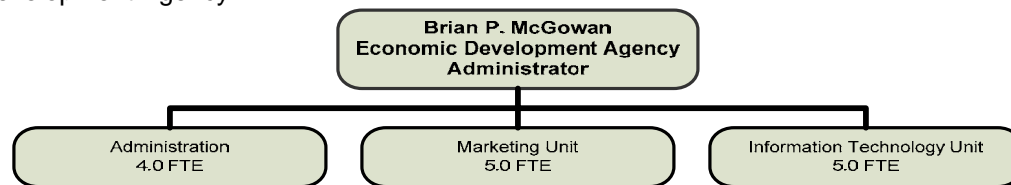
STRATEGIC GOALS

1. Business Retention/Attraction – To enhance the quality of life of the residents of the County of San Bernardino, the department will seek to retain and attract businesses by branding the county as an ethnically, culturally, socially and economically diverse region that provides competitive advantages with top level customer service.
2. Establish an image of the county as a global and diverse business center in the United States by continuing to develop overseas connections, infrastructure and understanding of global markets.
3. Enhance the County of San Bernardino's position to film and visit through the management and branding of the county's unique locations.

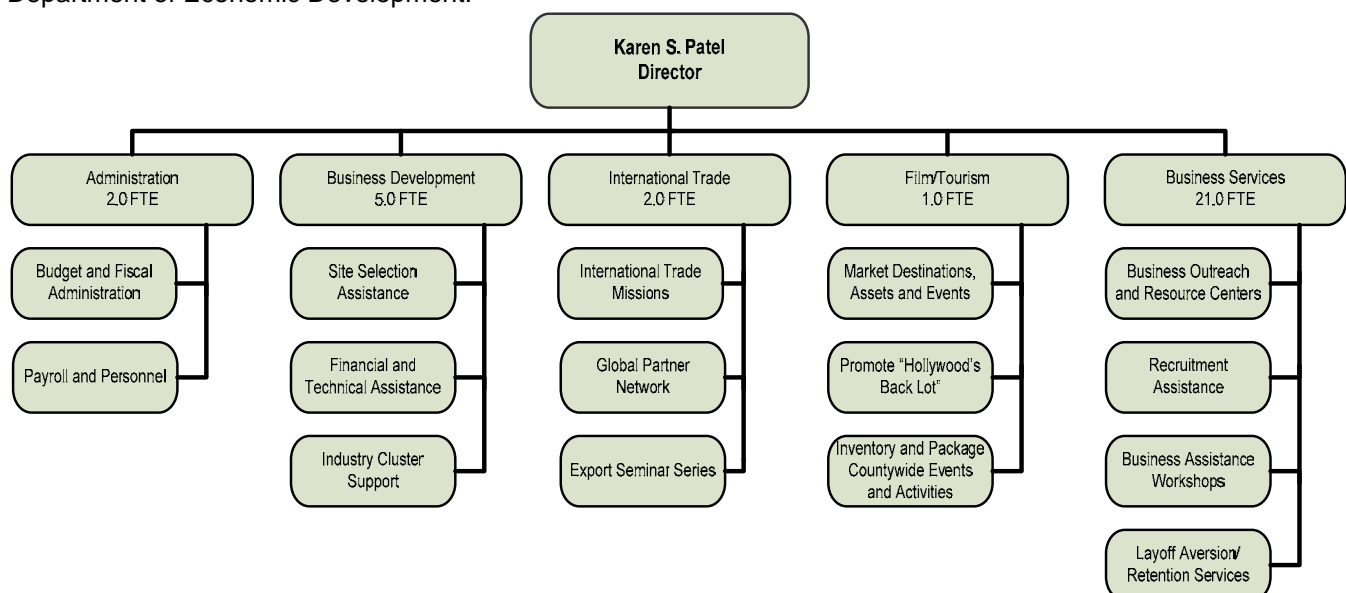
ORGANIZATIONAL CHART

This budget unit includes staffing for both the Economic Development Agency (15.0 FTE) and the Department of Economic Development (32.0 FTE). Below are the organizational charts for each entity.

Economic Development Agency:



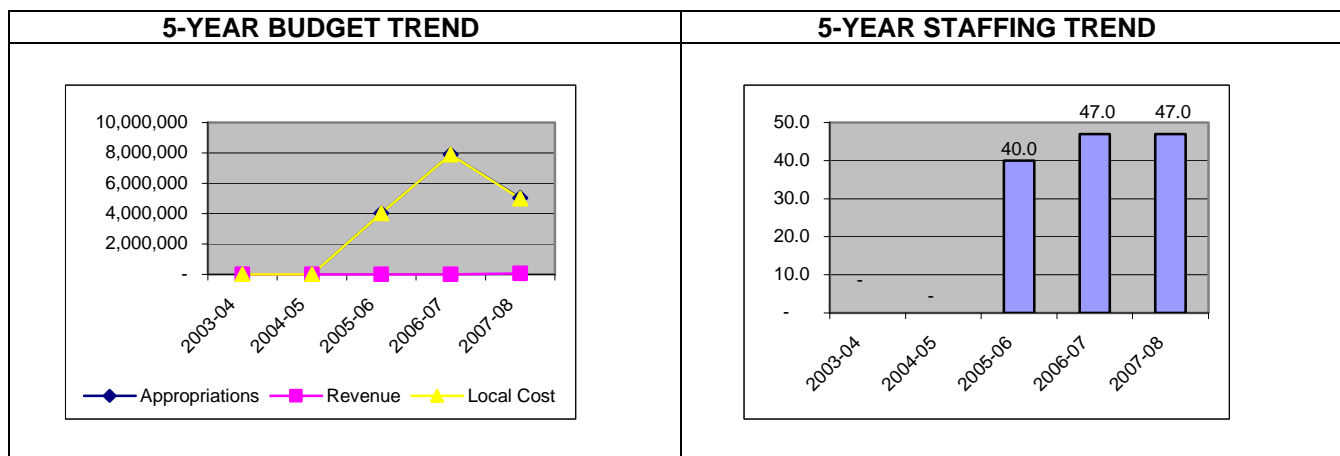
Department of Economic Development:



DESCRIPTION OF MAJOR SERVICES

The Department of Economic Development's major goals are to develop and implement a countywide economic development strategy that will maximize the standards of living of the county's residents, provide economic opportunities for the county's businesses, foster a competitive environment and position the county as a highly competitive region for business opportunities. The County of San Bernardino consistently spearheads initiatives for local, national and international impact for a competitive advantage by developing collaborations between the county and cities where the strategic partnerships offer critical services to clients regardless of geographical boundaries. We also spearhead support structures conducive for a creative business climate by creating a macro forum for networking ideas and programs via cluster development and high-valued industry sectors. Our focus is to have the County of San Bernardino viewed as the primary resource for all shareholders with unbeatable customer service by providing guidance and future economic development training for San Bernardino County cities and by fostering a respectful, open, cooperative environment with governmental departments and non-governmental entities.

BUDGET HISTORY



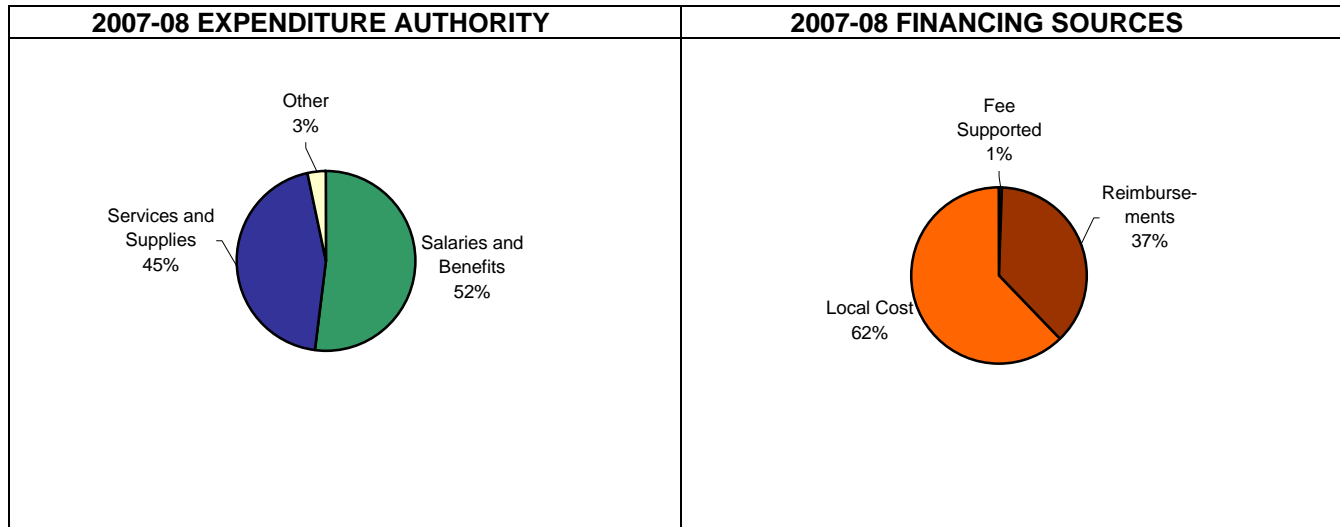
PERFORMANCE HISTORY

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Estimate
Appropriation	-	-	3,112,150	8,181,668	8,036,282
Departmental Revenue	-	-	43,634	299,000	301,000
Local Cost	-	-	3,068,516	7,882,668	7,735,282
Budgeted Staffing				47.0	

The Department of Economic Development was created as a result of the Board of Supervisor's approved formation of the Economic Development Agency on May 3, 2005 (Item 90). As part of the 2006-07 Final Budget, the Board approved the carry over of unexpended 2005-06 one-time funding totaling \$1,118,500. In addition, the Board approved approximately \$4.1 million in additional funding (\$2 million one-time funding and \$2.1 million ongoing funding) in order to support an enhanced economic development program. The department is expecting not to expend approximately \$145,386 of the 2006-07 appropriation primarily due to delays in the hiring of an Economic Development Manager as well as a Geographic Information Systems Technician II position.



ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development
DEPARTMENT: Economic Development
FUND: General

BUDGET UNIT: AAA EDF
FUNCTION: Public Assistance
ACTIVITY: Other Assistance

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Estimate	2006-07 Final Budget	2007-08 Proposed Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	-	-	2,172,363	3,663,702	3,861,935	4,159,282	297,347
Services and Supplies	-	-	2,267,354	6,573,299	5,654,694	3,556,637	(2,098,057)
Central Computer	-	-	2,342	24,961	24,961	46,981	22,020
Equipment	-	-	39,110	107,737	-	-	-
Transfers	-	-	143,961	181,663	177,581	257,317	79,736
Total Exp Authority	-	-	4,625,130	10,551,362	9,719,171	8,020,217	(1,698,954)
Reimbursements	-	-	(1,542,435)	(2,515,080)	(1,834,503)	(2,972,767)	(1,138,264)
Total Appropriation	-	-	3,082,695	8,036,282	7,884,668	5,047,450	(2,837,218)
Operating Transfers Out	-	-	29,455	-	-	-	-
Total Requirements	-	-	3,112,150	8,036,282	7,884,668	5,047,450	(2,837,218)
Departmental Revenue							
Current Services	-	-	-	-	-	50,000	50,000
Other Revenue	-	-	43,634	4,000	2,000	4,000	2,000
Total Revenue	-	-	43,634	4,000	2,000	54,000	52,000
Operating Transfers In	-	-	-	297,000	-	-	-
Total Financing Sources	-	-	43,634	301,000	2,000	54,000	52,000
Local Cost	-	-	3,068,516	7,735,282	7,882,668	4,993,450	(2,889,218)
Budgeted Staffing	-	-	-	-	47.0	47.0	-

Salaries and benefits of \$4,159,282 fund 47.0 positions and are increasing by \$297,347 primarily resulting from costs associated with negotiated labor agreements, adjustments to hourly rates and benefits based on actuals, and fully funding the Economic Development Manager for Film/Tourism. In addition, the department has included two reclassification requests of vacant positions. The reclassification of an Office Assistant II to an Office Assistant III, at an increased cost of approximately \$3,700, is requested due to the problem the department has experienced trying to get qualified applicants. The reclassification of a Staff Analyst II to an Event Coordinator, at no increase in cost, is requested in order to correctly define the job description for the duties assigned to this position.



Services and supplies of \$3,556,637 represent much of the costs to support the enhanced economic development program. This includes costs for sponsorships/tradeshows, advertising, special events, public relations, international trade, film and tourism, and economic studies. The department will see increases of \$1,015,443 due to increases in several services and supplies categories. Some of those categories include risk management, fleet management, inflationary services and supplies, travel, vehicle charges, and printing services. However, there is a net decrease in services and supplies of \$2,098,057 due to the elimination of one-time funding amounting to \$3,113,500. The one time funding items eliminated from the 2007-08 budget are: A) rollover funding received in 2006-07 due to the short time the newly organized department had to operate in 2005-06 as well as the lengthy recruitment of the Agency Administrator, B) appropriations for various community services projects, C) the California Speedway Fan Zone Sponsorship and D) one time portion of funds for the High Desert Business Resource Center (BRC).

Transfers of \$257,317 generally relate to rent charges paid to the Department of Workforce Development (DWD) as well as the Department of Community Development and Housing (CDH).

Reimbursements of \$2,972,767 represent reimbursements from other departments primarily for business services provided by the Department of Economic Development staff and administrative costs provided by Economic Development Agency staff. Reimbursements saw a significant increase of \$1,138,264 due to administrative costs being underestimated in 2006-07. This was corrected for the 2007-08 Proposed Budget, resulting in an increase in reimbursements from DWD, CDH, the Redevelopment Agency, and the Transitional Assistance Department.

Revenue of \$54,000 increased by \$52,000 due to an additional \$2,000 anticipated in voucher processing fees and an additional \$50,000 in anticipated revenues from State of the County registration fees, which the Economic Development Agency now oversees.

PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Estimated	2007-08 Projected
Respond to business requests for assistance within 24 hours of acknowledgment and 5 day first tier resolution.	n/a	n/a	80%
Percentage of completed loan applications processed from submittal to close escrow within 10 weeks.	new	50%	80%
Percentage increase of number of job opportunities identified with San Bernardino businesses to better link job seeking clients. This will be obtained utilizing job seeking client information, including information provided by the Department of Workforce Development and the Transitional Assistance Department (24,103 jobs in 2005-06).	10%	10%	5%
Percentage increase of inquiries by businesses about locating in the county.	n/a	develop base for 2006-07	20%
Number of global partners established to commence networking for positive economic impact.	new	1	5
Percentage of identified businesses that are identified by the department to have potential in international trade who participate in county sponsored international forums and workshops (60 estimated identified businesses).	new	new	25%
Number of international trade missions led by the department.	new	1	2
Percentage increase of editorials/articles (26 editorial/articles in 2005-06).	25%	25%	25%
Percentage increase of television/radio broadcast coverage (3 broadcasts estimated in 2005-06).	25%	25%	25%



PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Estimated	2007-08 Projected
Respond to business requests for assistance within 24 hours of acknowledgment and 5 day first tier resolution.	n/a	n/a	80%
Percentage of completed loan applications processed from submittal to close escrow within 10 weeks.	new	50%	80%
Percentage increase of number of job opportunities identified with San Bernardino businesses to better link job seeking clients. This will be obtained utilizing job seeking client information, including information provided by the Department of Workforce Development and the Transitional Assistance Department (24,103 jobs in 2005-06).	10%	10%	5%
Percentage increase of inquiries by businesses about locating in the county.	n/a	develop base for 2006-07	20%
Number of global partners established to commence networking for positive economic impact.	new	1	5
Percentage of identified businesses that are identified by the department to have potential in international trade who participate in county sponsored international forums and workshops (60 estimated identified businesses).	new	new	25%
Number of international trade missions led by the department.	new	1	2
Percentage increase of editorials/articles (26 editorial/articles in 2005-06).	25%	25%	25%
Percentage increase of television/radio broadcast coverage (3 broadcasts estimated in 2005-06).	25%	25%	25%

POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2007-08 Performance Measurement
1	<p>Increase Economic Development Agency Staff*</p> <p>Add an Economic Analyst position (estimated range R70 \$73,278-\$93,704) subject to HR Classification) that will research economic information, economic impact and trends, develop and oversee economic studies, analyze the available economic information, and formulate trends and recommendations.</p> <p>*Economic Development Agency Policy Item Request</p>	1.0	114,700	-	114,700	
						<i>Number of Economic studies overseen and developed by the Agency</i>
2	<p>Sustained Econ. Dev. Program</p> <p>To continue to move the County's Economic Development program towards being the strongest in the region, the Department of Economic Development is requesting an additional \$1,140,000 in ongoing funding to increase sponsorships and tradeshow, advertising, economic studies, national public relations exposure, participation in special events, film and tourism activities, and international business opportunities.</p>	-	1,140,000	-	1,140,000	4
						<p>Percentage increase in leads from existing sponsorships.</p> <p>Percentage increase of business inquiries/leads both domestic and international.</p> <p>Number of website hits on the international trade services online directory and online event calendar.</p> <p>Enhanced database of film, video, and tourism assets to market.</p>
						<p>10%</p> <p>10%</p> <p>Est. baseline</p> <p>Est. baseline</p>



POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2007-08 Performance Measurement
3	<p>East Valley Bus. Resource Center</p> <p>Provide enhanced and expanded business services through an East Valley Business Resource Center co-located with the Department of Workforce Development's East Valley Employment Resource Center. The East Valley Employment Resource Center has an approved CIP request (#05-146) to relocate the existing employment resource center in San Bernardino to a new location that meets the needs of them and their partners. By co-locating the business and employment service functions, the county's impact for its businesses and citizens will be maximized. The department is requesting \$150,000 in one-time funding for facility office furniture, library resources and equipment. In addition, the department is requesting \$150,000 in ongoing funding for rent, utilities, stocking of the library and equipment replacement.</p>	-	300,000	-	300,000	
	<i>Number of businesses utilizing services of East Valley BRC</i>					Estab. Baseline
4	<p>San Bernardino Valley Enterprise Zone</p> <p>Act as the lead agency to develop, market, and administer the proposed San Bernardino Valley Enterprise Zone, a multi-jurisdictional Enterprise Zone (EZ) that will create jobs and retain and attract businesses. The proposed enterprise zone covers the County of San Bernardino along with the Cities of Colton and San Bernardino and the Inland Valley Development Agency. The department is requesting funding in the amount of \$37,000, which consists of \$27,000 in one-time funding to pay for the County's share of a necessary Environmental Impact Report (EIR) and \$10,000 in ongoing funding to pay for the County's share of administrative costs such as insurance, professional services (legal and auditing), etc.</p>	-	37,000	-	37,000	
	<i>Percentage of businesses within the enterprise zone attending the incentive workshops (current estimate of businesses within the Enterprise Zone is 2,400).</i>					10%
5	<p>The Fanzone Title Sponsorship *</p> <p>Continue the Fanzone Title Sponsorship and the entitlement at the NASCAR Craftsman Truck Series event at the California Speedway. This sponsorship partners the County of San Bernardino with the California Speedway to nationally market the opportunities available with the county at various NASCAR events. Funding is requested for both 2007-08 and 2008-09, which is the current agreement timeframe. After 2008-09, the agreement would either be terminated or re-negotiated.</p> <p>*Up to \$490,000 of the \$700,000 will be reimbursed from the Redevelopment Agency (assuming up to 70% reimbursement from RDA)</p>	-	700,000	-	700,000	
	<i>Performance measures already exist (See Performance Measure Section)</i>					
Total		<u>1.0</u>	<u>2,291,700</u>	<u>-</u>	<u>2,291,700</u>	



COMMUNITY DEVELOPMENT AND HOUSING

David M. Larsen and Adolphus Okeke

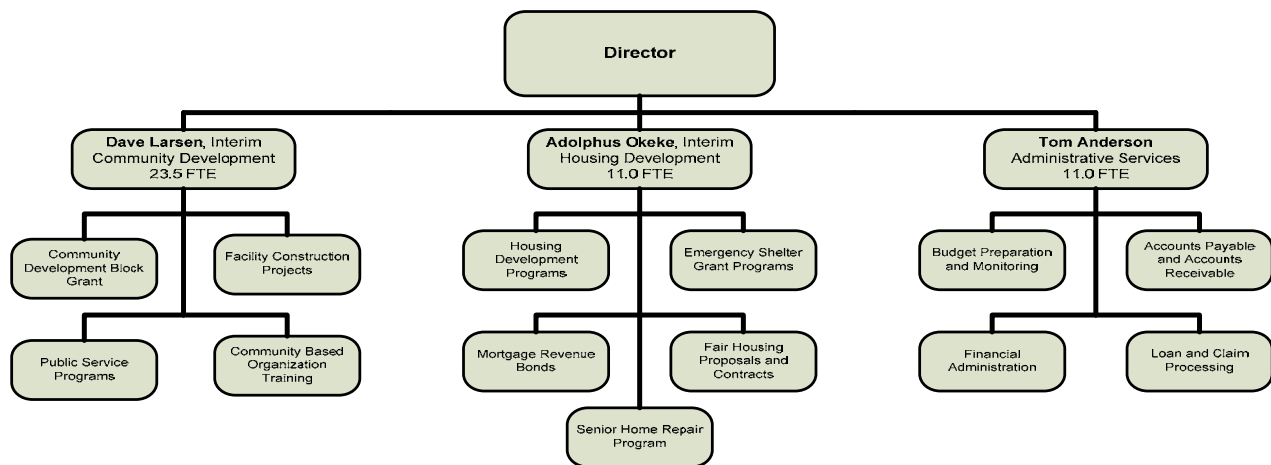
MISSION STATEMENT

The Department of Community Development and Housing (CDH) works to improve the quality of life of residents of the county through identifying, obtaining, and administering local, state, federal, and private funding resources available for community development and housing programs and projects.

STRATEGIC GOALS

1. Develop and coordinate the consolidated plan process for obtaining the Home Investment Partnership Act (HOME), the Emergency Shelter Grant (ESG), and the Community Development Block Grant (CDBG) entitlement grants to promote the well being of county residents.
2. Sub-grant CDBG and ESG funds to county departments, cooperating cities and non-profit agencies for programs and projects benefiting low- and moderate-income persons.
3. Prepare an annual performance report covering the consolidated plan grant programs for submittal to the Department of Housing and Urban Development (HUD) required to obtain grants to assist residents of the county.
4. Communicate useful and timely information to other agencies and to the general public to inform them about grant and loan resources available to meet community and housing needs.
5. Implement affordable housing programs for the construction of new housing, rehabilitation of existing housing and the provision of emergency shelter for homeless persons within the county.

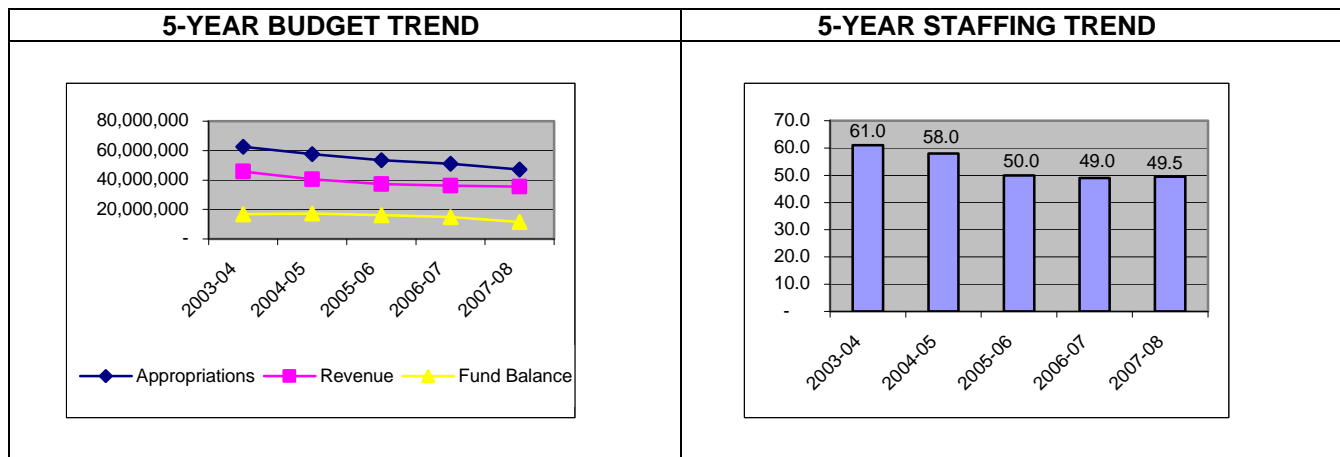
ORGANIZATIONAL CHART



DESCRIPTION OF MAJOR SERVICES

The Department of Community Development and Housing (CDH) is responsible for administering federal, state, and local grant funds allocated to the County of San Bernardino for housing and community development programs. Federal funds comprise a large percentage of the total monies included in the department's budget through the Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), the Home Investment Partnership Act Grant (HOME), the Neighborhood Initiative Grant (NI) and the Economic Development Initiative Program (EDI) Grant. In addition, the department received a grant in 2006-07 from the State to reconstruct the water delivery system in Cedar Glen. The CDBG grant was maintained at its reduced level for 2007-08. During 2006-07 the Redevelopment Agency entered into a contract with CDH to assist with affordable housing in the Cedar Glen area and this assistance will continue through 2007-08.

BUDGET HISTORY



PERFORMANCE HISTORY

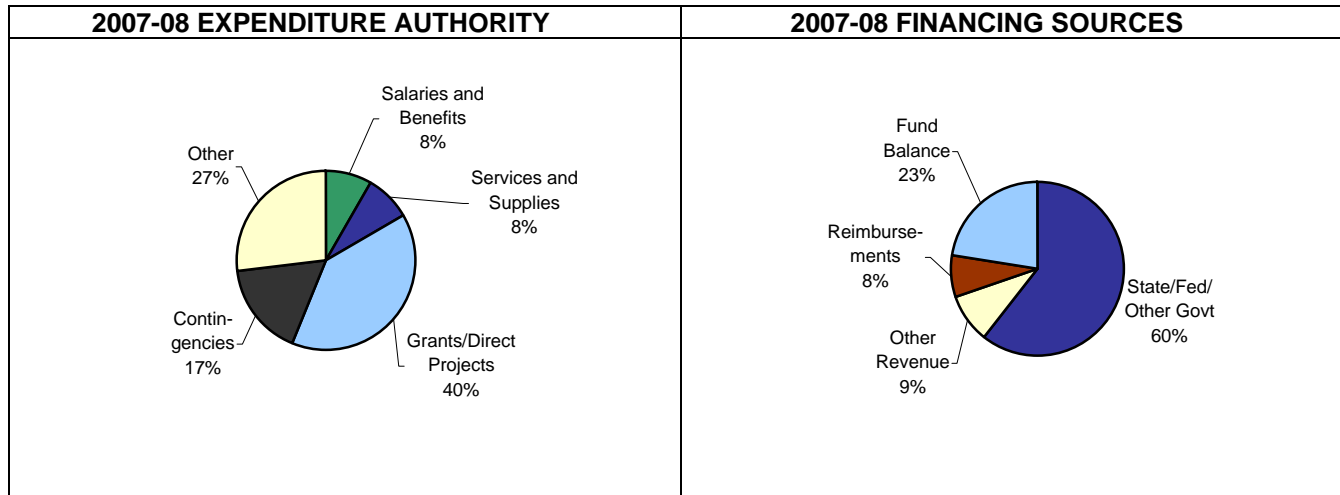
	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Estimate
Appropriation	20,028,295	24,335,828	24,763,111	50,996,111	26,014,668
Departmental Revenue	20,274,741	22,338,993	23,440,212	36,120,085	22,600,793
Fund Balance				14,876,026	
Budgeted Staffing				49.0	

In accordance with Section 29009 of the State Government Code, the entire unreserved fund balance must be appropriated each year. Accordingly, expenditures in this fund are typically less than budget. Most of CDH's revenue is from federally funded grants that are for longer than one year, thus revenue is under realized for each individual fiscal year, but totally realized over the period of the grants. The unexpected and unrealized amounts in 2006-07 have been carried over to the subsequent year's budget.

The performance history for the CDH budget represents a slight increase in actual funding from 2003-04 through 2005-06, followed by a slight decrease in actual funding in 2006-07. Through 2005-06, the department continued to see increases in revenue despite annual decreases in CDBG, HOME, and ESG grants because there were carry-over funds from prior year grants as well as revenue remaining from other funding sources. Many of these funds have been expended in prior years or will be expended in 2006-07, resulting in the decrease in estimated revenue in 2006-07.



ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development
DEPARTMENT: Community Development and Housing
FUND: Community Development and Housing

BUDGET UNIT: CDH Consolidated
FUNCTION: Public Assistance
ACTIVITY: Other Assistance

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Estimate	2006-07 Final Budget	2007-08 Proposed Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	3,551,394	3,780,253	3,634,300	3,668,799	4,058,175	4,233,661	175,486
Services and Supplies	1,621,860	1,408,385	1,444,425	1,583,998	3,909,595	4,144,457	234,862
Grants/Direct Projects	11,707,770	15,561,680	16,579,071	16,175,000	35,041,948	20,161,228	(14,880,720)
Central Computer	34,249	45,171	49,817	59,593	59,593	56,934	(2,659)
Equipment	-	-	39,463	-	-	-	-
Transfers	4,454,809	5,187,319	5,306,274	5,209,278	10,368,909	12,011,116	1,642,207
Contingencies	-	-	-	-	-	8,599,692	8,599,692
Total Exp Authority	21,370,082	25,982,808	27,053,350	26,696,668	53,438,220	49,207,088	(4,231,132)
Reimbursements	(2,291,133)	(3,080,866)	(3,484,053)	(4,182,000)	(3,780,334)	(3,964,701)	(184,367)
Total Appropriation	19,078,949	22,901,942	23,569,297	22,514,668	49,657,886	45,242,387	(4,415,499)
Operating Transfers Out	949,346	1,433,886	1,193,814	3,500,000	1,338,225	1,764,379	426,154
Total Requirements	20,028,295	24,335,828	24,763,111	26,014,668	50,996,111	47,006,766	(3,989,345)
Departmental Revenue							
Taxes	31,038	88,320	32,482	75,000	29,500	40,000	10,500
Fines and Forfeitures	6,897	4,060	3,274	2,800	3,300	3,000	(300)
Use Of Money and Prop	646,167	688,908	730,660	802,019	650,878	757,500	106,622
State, Fed or Gov't Aid	13,907,410	16,545,488	17,579,128	17,433,440	30,754,350	30,849,326	94,976
Current Services	-	-	4,735	-	-	-	-
Other Revenue	5,682,429	5,012,217	5,085,564	4,287,534	4,682,057	3,894,789	(787,268)
Other Financing Sources	800	-	4,369	-	-	-	-
Total Revenue	20,274,741	22,338,993	23,440,212	22,600,793	36,120,085	35,544,615	(575,470)
Fund Balance					14,876,026	11,462,151	(3,413,875)
Budgeted Staffing					49.0	49.5	0.5



Salaries and benefits of \$4,233,661 fund 49.5 positions and are increasing by \$175,486 primarily resulting from a \$91,419 increase in workers' compensation charges, an \$8,252 increase for an additional Public Service Employee positions (0.5 FTE), and other costs associated with MOU and retirement adjustments.

Services and supplies of \$4,144,457 represent charges from the department's Inland Valley Development Agency (IVDA) fund for professional services including consultant services, legal services, and redevelopment projects as well as various other charges, such as general office expenses, costs for publications, and special departmental expenses. The overall increase of \$234,862 is primarily the result of inflation and an increase in the IVDA fund's professional services due to planned receipt of additional revenue and funds being carried over from prior years.

Grants and direct projects of \$20,161,228 represent the bulk of CDH's expenses. These expenses generally consist of contracts with other governmental, nonprofit, or private businesses to provide community development and housing assistance for low and moderate income citizens of the County of San Bernardino. The decrease in grants and direct projects of \$14,880,720 is primarily caused by a change in accounting to contingencies (\$8,599,692) and the reduction of available grant funds in the Neighborhood Initiative Grant (\$6,332,683). This decrease was slightly offset by an increase in the other grants included in this budget.

Transfers of \$12,011,116 primarily represent intradepartmental transfers from CDH's grant funds to its administrative fund. It also represents transfers to other departments for services provided on behalf of CDH. This increase in transfers of \$1,642,207 over last year includes an increase of approximately \$700,000 in transfers out to other departments for Community Development Block Grant projects that are expected to be completed in 2007-08 and an increase in the administrative charges to most of the grant funds in the consolidated CDH budget.

Contingencies increased \$8,599,692 due to an accounting change requested by the County Administrative Office. In prior years, the department has budgeted their entire unreserved fund balance as appropriation for grants and direct projects. This inaccurately reflected the actual amount of expenditures the department would anticipate in a fiscal year for grants and direct projects. By moving these funds to contingencies, the department is providing a better representation of anticipated actual expenditures for grants and direct projects in 2007-08.

Reimbursements of \$3,964,701 represent intradepartmental reimbursements to the CDH administrative fund for staff charges. The increase of \$184,367 primarily represents an increase in administrative costs due to various salary and benefit increases within the department (explained above).

Operating transfers out of \$1,764,379 increased \$426,154 due to an increase in CDBG construction projects planned to be completed by the County Architecture and Engineering Department in 2007-08.

Revenues of \$35,544,615 generally represent grants received from the Department of Housing and Urban Development (HUD), which include the Community Development Block Grant, HOME grant funds, and the Emergency Shelter Grant. In 2007-08, the department anticipates receiving \$12,749,849 from HUD as well as \$3,100,000 from the State Department of Housing and Community Development for the Cedar Glen Water/Road Improvement Grant. The remaining \$19,694,766 in revenue primarily represents funding for previously approved federal grant projects that have not been completed. The department has seen a decrease of \$575,470 that includes a decrease in other revenue due to receipt in 2006-07 of prior years' owed invoices in the Labor Compliance Program as well as decreases in funds received from housing loan payoffs.

PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Estimated	2007-08 Projected
Percentage of Emergency Shelter Grant (ESG) "Cold Weather Shelter Program" contracts with non-profit homeless service providers executed within 30 days of completion of RFP and projected start date of each project (14 ESG contracts entered into in 2005-06).	75%	80%	90%
Percentage of Community Development Block Grant (CDBG) project Environmental Review Records (ERR) approved by HUD within ninety (90) days of project approval (155 ERRs approved in 2005-06).	80%	80%	80%
Percentage of Project Implementation/Maintenance and Operation agreements entered within thirty (30) days of ERR completion (160 Project Implementation/Maintenance and Operation Agreements entered in 2005-06).	75%	80%	80%
Percentage of Public Service contracts executed within thirty (30) days of the projected start date of each program (95 CDBG Public Service contracts executed in 2005-06).	80%	80%	80%
Maintain the number of non-profit agencies, cities, and individual homeowners who receive the information they need in order to apply for CDBG, ESG, and HOME funds.	New	200 agencies, 13 cities, 400	200 agencies, 13 cities, 400
The number of housing units constructed or rehabilitated.	200	200	200
The number of low-income families or disabled persons who receive rental housing security deposit and utility payment assistance.	200	200	200
The number of low-and moderate-income homeowners who receive loans or grants.	270	270	250
The number of families who succeed in buying their home.	25	20	20
The number of emergency shelter nights provided to homeless persons.	23,900	23,900	24,000
The number of housing projects planned for construction.	New	0	2
The number of home owners who will receive financial assistance to rebuild their homes that were lost in the 2003 "Old Fire" disaster.	New	0	10
Percentage of time the following activities will be completed within the designated time frame: - CDH completion of initial review of eligible land use services grant applications within thirty (30) days of receipt and completion of reimbursements within three (3) months of receipt of claims and approved back up information.	New	90%	100%
Percentage of time the following activities will be completed within the designated time frame: - CDH completion of initial review of eligible Home Rehabilitation Program applications within thirty (30) days of receipt. - Rehabilitation activities completed within 9-12 months of application approval.	New	90%	100%



WORKFORCE DEVELOPMENT

Sandy Harmsen

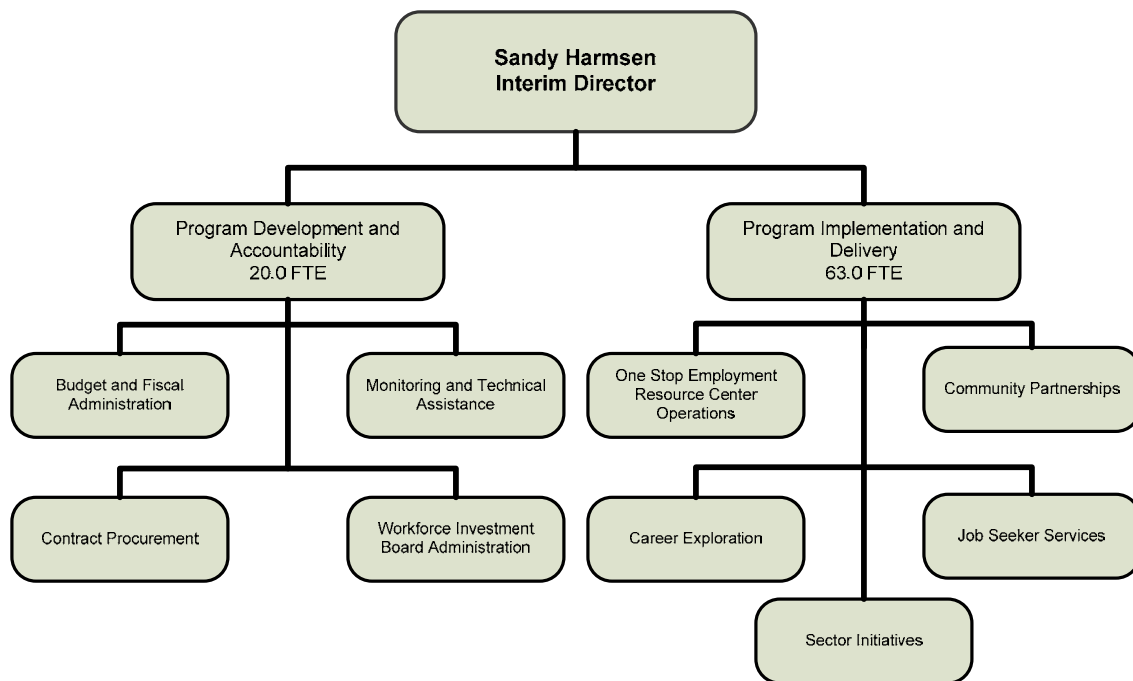
MISSION STATEMENT

The Department of Workforce Development provides comprehensive employment, training and support services in accordance with the Department of Labor Workforce Investment Act (WIA). Services provided are in response to the needs of job seekers, businesses and communities within the County of San Bernardino and are complementary to the strategic plan established by the Economic Development Agency (EDA).

STRATEGIC GOALS

1. Meet or exceed all WIA enrollment and performance standards negotiated with the State for customers in Adult, Dislocated Worker and Youth services to increase the quality of life for San Bernardino County's workforce.
2. Continue media relation efforts and launch marketing materials in conjunction with EDA to promote the quality of life for San Bernardino County residents.
3. Align workforce development, economic development, education and funding strategies to enhance the competitiveness of San Bernardino County's workforce to support positive economic growth and ensure public well being.

ORGANIZATIONAL CHART

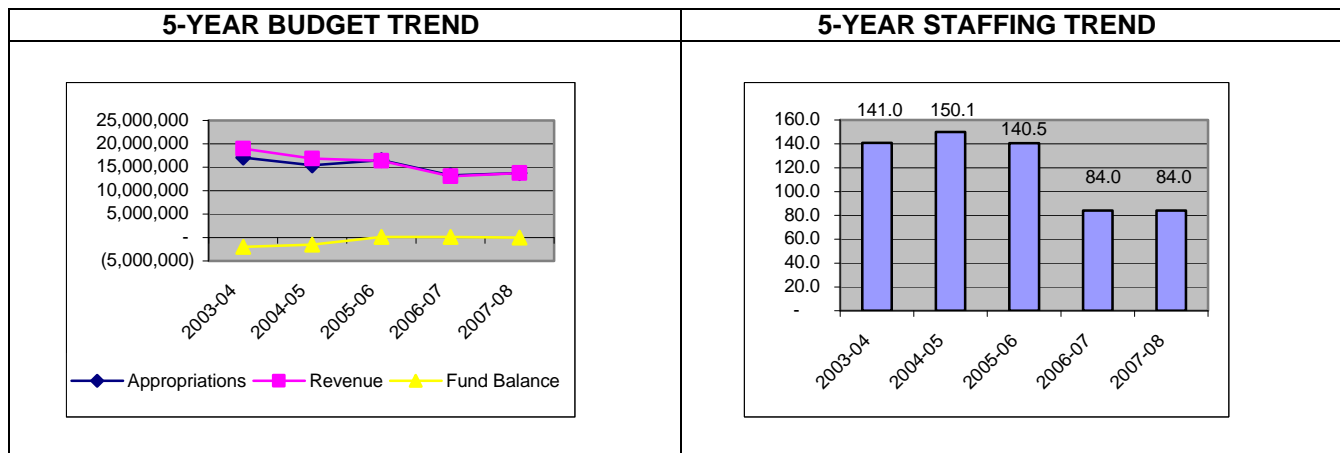


DESCRIPTION OF MAJOR SERVICES

The Department of Workforce Development (WDD) provides holistic services to job seekers, incumbent workers, entrepreneurs and employers. WDD is responsible for administering and operating programs under the Department of Labor's (DOL) Workforce Investment Act. Program funding is allocated at the federal level and comes to the county from the State Employment Development Department-Workforce Investment Division. Through this funding stream, services are delivered to job seekers and businesses throughout the county via the department's Employment Resource Centers. These offices are strategically placed in three of the county's economic regions.

The Workforce Investment Board administratively oversees the programs offered through the department. This Board is comprised of private business representatives and public sector partners who have been appointed by the County Board of Supervisors. The department supports the mission of the county through its provision of services to businesses and job seekers. Understanding that increased employment opportunities enhance the quality of life for residents, the department strives to ensure that the needs of local businesses are met by providing them with a skilled workforce.

BUDGET HISTORY



PERFORMANCE HISTORY

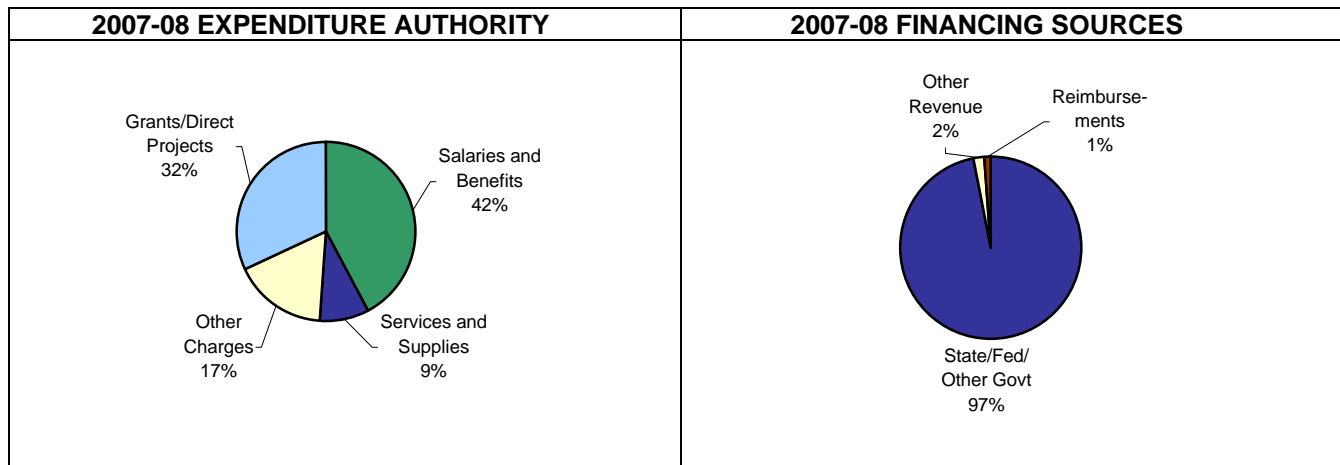
	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Modified Budget	2006-07 Estimate
Appropriation	14,140,555	12,860,640	12,586,217	13,277,810	12,861,533
Departmental Revenue	14,450,588	13,484,794	12,611,371	13,116,429	12,700,152
Fund Balance				161,381	
Budgeted Staffing				84.0	

The trend for the WDD budget is a steady decrease in funding from 2003-04 through 2005-06, followed by a slight increase in funding in 2006-07. The decline in revenue is a reflection of two distinct impacts. First, primary WIA funds such as Adult, Dislocated Worker, and Youth grants have experienced declining allocations from DOL to the State of California. Second, specialty grants such as the National Emergency Base Realignment and Closure and Katrina Emergency Initiative grants were multi-year funded and have expired during this period. WDD has been successful recently in mitigating this decline in revenue by actively seeking competitive grant funding.

Actual expenditures vary from the budget due to the requirement, in accordance with Section 29009 of the State Government Code, that total allocations must be budgeted in the year allocated; however, actual revenue received is the result of reimbursement for actual expenses incurred.



ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development
DEPARTMENT: Workforce Development
FUND: Workforce Development

BUDGET UNIT: SAC JOB
FUNCTION: Public Assistance
ACTIVITY: Other Assistance

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Estimate	2006-07 Final Budget	2007-08 Proposed Budget	Change From 2006-07 Final Budget
Appropriation							
Salaries and Benefits	7,388,602	7,515,569	6,383,851	5,399,188	5,732,270	5,863,088	130,818
Services and Supplies	1,092,097	1,285,974	1,057,202	1,401,748	1,127,287	1,161,943	34,656
Central Computer	99,385	104,199	94,502	111,841	111,841	88,405	(23,436)
Grants/Direct Projects	8,413,237	4,105,869	4,096,217	3,622,872	4,578,825	4,450,301	(128,524)
Equipment	-	50,000	-	-	-	13,000	13,000
Transfers	1,931,358	1,680,788	1,588,459	2,464,271	1,887,187	2,343,047	455,860
Total Exp Authority	18,924,679	14,742,399	13,220,231	12,999,920	13,437,410	13,919,784	482,374
Reimbursements	(4,784,124)	(1,881,759)	(634,014)	(138,387)	(159,600)	(145,307)	14,293
Total Appropriation	14,140,555	12,860,640	12,586,217	12,861,533	13,277,810	13,774,477	496,667
Departmental Revenue							
Use Of Money and Prop	219,815	188,971	218,399	254,112	213,400	262,464	49,064
State, Fed or Gov't Aid	14,229,748	13,293,760	12,389,553	12,446,040	12,903,029	13,512,013	608,984
Current Services	970	-	2,305	-	-	-	-
Other Revenue	55	2,063	1,114	-	-	-	-
Total Revenue	14,450,588	13,484,794	12,611,371	12,700,152	13,116,429	13,774,477	658,048
Operating Transfers In	-	-	-	-	-	-	-
Total Financing Sources	14,450,588	13,484,794	12,611,371	12,700,152	13,116,429	13,774,477	658,048
Fund Balance					161,381	-	(161,381)
Budgeted Staffing					84.0	84.0	-

Salaries and benefits of \$5,863,088 fund 84.0 positions and are increasing by \$130,818. Although the department's staffing level remained stable, the department made minor adjustments to staffing by deleting 4.0 vacant budgeted staffing positions and adding 4.0 positions to the budget. 1.0 Manpower Specialist III was deleted because it is no longer an active county job classification. It was replaced with 1.0 Staff Analyst I, a classification equal in pay range and job duties. 1.0 Employment Services Technician was deleted and 1.0 Employment Services Specialist was added to enable WDD to increase the number of training workshops it conducts for customers. 1.0 Supervising Employment Services Specialist was deleted and 1.0 Supervising Accounting Technician was added in order to enhance fiscal support for the department's customers and offices. Two part time positions, a Fiscal Assistant (0.5 FTE) and an Office Assistant II (0.5 FTE), were deleted and 1.0 Staff Analyst I was added to enable WDD to provide department support for new collaborative projects. These position changes resulted in a total increase of \$24,139. Other increases were a result of increases in costs associated with MOU, retirement, and risk management. The total increase was partially offset by decreased



costs in worker's compensation for the department and direct salary reimbursements by the Sheriff's Department for 2.0 Employment Services Specialists.

Services and supplies of \$1,161,943 represent general office supplies, computer software and hardware, equipment, training, professional services, utilities and outreach events. In addition to inflationary costs, the increase of \$34,656 was a result of adjustments that were made in the office supplies, training and hardware replacement line items that were significantly under-budgeted in 2006-07 due to a potential reduction in revenue that was not realized.

Grants/direct projects of \$4,450,301 represent payments to vocational and educational schools for training WIA participants, supportive services for WIA participants, customized training, and reimbursement of training costs incurred by employers at the Southern California Logistics Airport under a special grant. The decrease to grants/direct projects of \$128,524 was the result of an increase in the department's transfers, which allows for increased funding of business services.

Transfers of \$2,343,047 represent payments to other departments including costs associated with Economic Development Agency (EDA) administration, EDA marketing, EDA information technology, business services provided by the Department of Economic Development and rent. The increase to transfers of \$455,860 was primarily the result of an increase for business services provided to WDD by the Department of Economic Development and an increase in costs associated with EDA support.

Reimbursements of \$145,307 represent rent received from the Department of Economic Development. The decrease in reimbursements of \$14,293 is due to less WDD charges for rent.

Revenues of \$13,774,477 represent funding from various state grants. The department anticipates receiving 2007-08 allocations under the Workforce Investment Act (WIA) for Title I Youth, Title I Adult, Title I Dislocated Workers and Rapid Response, discretionary funds for special projects, grants from the California Employment Training Panel (ETP), and rent from the California Employment Development Department (EDD) for space it occupies in the Rancho Employment Resource Center. The department also anticipates carrying over grant funds allocated and budgeted in 2006-07. The increase to revenues of \$658,048 is associated with new discretionary grants, the ETP grant and an increase in EDD rent.

PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Estimated	2007-08 Projected
Percentage of enrolled adults exiting the program who have entered employment (675 estimated).	74%	74%	74%
Percentage of enrolled adults exiting the program who have retained employment (480 estimated).	82%	82%	82%
Percentage of enrolled dislocated workers exiting the program who have entered employment (215 estimated).	82%	82%	82%
Percentage of enrolled dislocated workers exiting the program who have retained employment (170 estimated).	88%	88%	88%
Percentage of enrolled older youth exiting the program who have entered employment (255 estimated).	79%	79%	79%
Percentage of enrolled older youth exiting the program who have retained employment (198 estimated).	82%	82%	82%
Percentage of enrolled younger youth exiting the program who have attained skill-related training certificates (172 estimated).	88%	88%	88%
Percentage of enrolled younger youth exiting the program who have attained a high school diploma or GED (20 estimated).	67%	67%	67%
Percentage of enrolled younger youth exiting the program who remained in school or retained employment (172 estimated).	76%	76%	76%
Maintain number of marketing materials received by customers.	25,000	25,000	25,000
Increase number of regular meetings of stakeholders for the purpose of aligning strategies, policies, networks, funding sources and training services to meet the workforce demands of local businesses.	2 events (per year)	2 events (per year)	4 events (per year)
Number of new funding sources available for demand-driven training services to include sources other than Department of Labor funding.	1 New Source	1 New Source	2 New Sources
Increase the number of industry-specific/demand-driven training programs.	3 Programs	3 Programs	4 Programs

POLICY ITEM REQUESTS						
Rank	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Fund Balance	Proposed 2007-08 Performance Measurement
	Support relocation of San Bernardino Employment Resource Center. One-time funding to support relocation of East Valley Employment Resource Center and establish an East Valley Business Resource Center in conjunction with the Department of Economic Development. If item is not funded, program funds would have to be utilized which would impact the level of service to approximately 60 County residents in need of training or re-training.	-	300,000	300,000	-	
						<i>Number of employment-seeking and business customers served in the first year at the East Valley Employment and Business Resource center, which will open by January 2008.</i>
						9600 universal customers and 150 business customers.
	Total	-	300,000	300,000	-	



San Bernardino Valley Enterprise Zone

DESCRIPTION OF MAJOR SERVICES

On August 22, 2006 (Item 50), the Board of Supervisors approved a Memorandum of Understanding with the City of Colton, City of San Bernardino, and the Inland Valley Development Agency to fund, manage, and describe the jurisdictional responsibilities of the San Bernardino Valley Enterprise Zone (SBVEZ). The SBVEZ is a State designated geographical area that offers local businesses State tax incentives in order to stimulate economic growth in the economically distressed areas of the City of San Bernardino, the City of Colton, and the County. The SBVEZ facilitates economic growth through assistance to local businesses, jurisdictional leadership, public/private collaborations, attraction of new investment, the retention/expansion of existing businesses, and the employment of the most difficult-to-hire workers into private sector jobs. The 2007-08 proposed budget is predicated by the final designation of the Enterprise Zone by the California Department of Housing and Community Development.

Major services to be offered to SBVEZ businesses include the following:

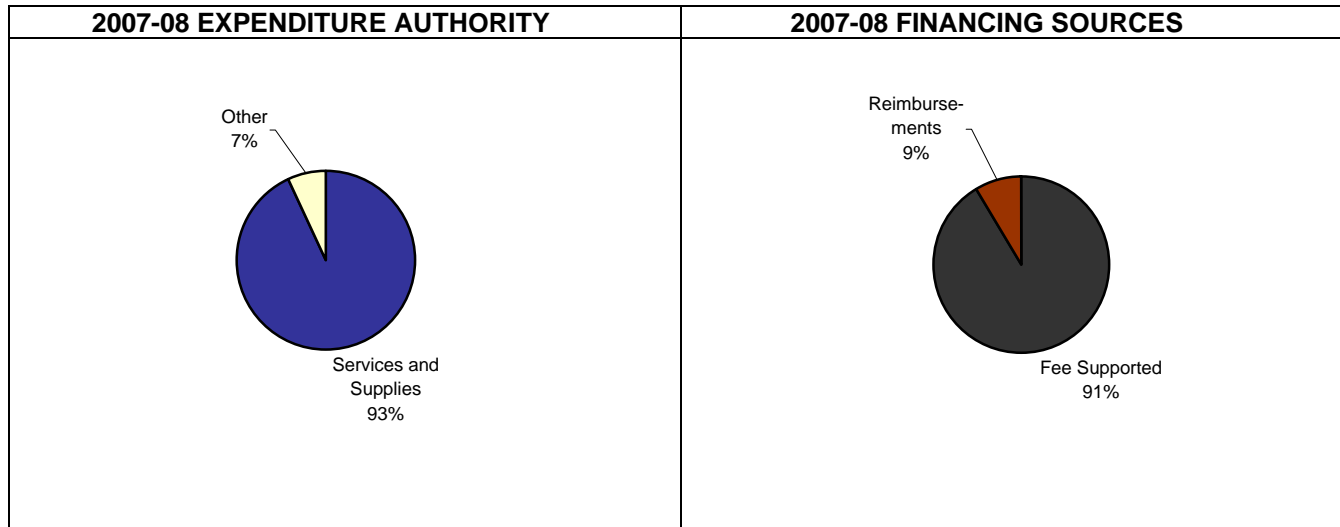
- Educational workshops for businesses to understand and take advantage of State tax credits
- Job placement assistance for difficult-to-hire workers
- Job training programs through the County's Workforce Investment Board in partnership with the Cities
- Assistance in accessing State contracts
- Pre-qualification of unemployed workers as potential employees, which would qualify the business to claim the State's hiring tax credit
- Site selection for new and expanding businesses

These services are offered through the Department of Economic Development, the Department of Workforce Development, and in collaboration with the cities of Colton and San Bernardino.

This is a newly established budget unit in 2007-08 and therefore no history is available.

There is no staffing associated with this budget unit.

ANALYSIS OF PROPOSED BUDGET



GROUP: Economic Development
DEPARTMENT: Economic Development
FUND: San Bernardino Valley Enterprise Zone

BUDGET UNIT: SYZ EDF
FUNCTION: Public Assistance
ACTIVITY: Other Assistance

	2003-04 Actual	2004-05 Actual	2005-06 Actual	2006-07 Estimate	2006-07 Final Budget	2007-08 Proposed Budget	Change From 2006-07 Final Budget
Appropriation							
Services and Supplies	-	-	-	-	-	398,500	398,500
Transfers	-	-	-	-	-	30,000	30,000
Total Exp Authority	-	-	-	-	-	428,500	428,500
Reimbursements	-	-	-	-	-	(37,088)	(37,088)
Total Appropriation	-	-	-	-	-	391,412	391,412
Departmental Revenue							
Current Services	-	-	-	-	-	391,412	391,412
Total Revenue	-	-	-	-	-	391,412	391,412
Fund Balance	-	-	-	-	-	-	-

Services and supplies of \$398,500 represent costs for an Environmental Impact Report, marketing, professional services, professional memberships, trade show attendance, advertising, website development, auditing, County Counsel services, mapping and travel.

Transfers of \$30,000 represent the cost for the Zone Manager incurred by the Department of Economic Development.

Each partner in the SBVEZ has been authorized by its legislative body to contribute funds to cover the administrative costs of the Enterprise Zone. Partner amounts are based on a fair share percentage of area within the SBVEZ that is covered by that jurisdiction. The county's portion of administrative costs for the 2007-08 budget is \$37,088 and is shown as a reimbursement.

Revenue of \$391,412 represents amounts to be received from the Inland Valley Development Agency, the City of San Bernardino, and the City of Colton to cover administrative costs.



PERFORMANCE MEASURES			
Description of Performance Measure	2006-07 Projected	2006-07 Estimated	2007-08 Projected
Number of business workshops held to assist businesses to take advantage of State incentives.	N/A	N/A	4
Total number of businesses present at all workshops.	N/A	N/A	250
Number of businesses in the SBVEZ visited by county job developers.	N/A	N/A	150
Number of State hiring credits (vouchers) issued.	N/A	N/A	500

